



# STATE OF IOWA

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DEPARTMENT OF HUMAN SERVICES  
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## GENERAL LETTER NO. 7-F-82

ISSUED BY: Bureau of Financial and Work Supports,  
Division of Financial, Health and Work Supports

SUBJECT: Employees' Manual, Title 7, Chapter F, **BUDGETING**; pages 9, 13, and  
14, revised.

### Summary

This chapter is revised to implement the following changes resulting from the American Recovery and Reinvestment Act of 2009:

- ◆ Change maximum net monthly allotment amounts.
- ◆ Change the minimum monthly allotment for eligible one-member and two-member households.

A minor typographical error has also been corrected.

### Effective Date

April 1, 2009

### Material Superseded

Remove the following pages from Employees' Manual, Title 7, Chapter F, and destroy them:

<u>Page</u>	<u>Date</u>
9, 13, 14	January 16, 2009

### Additional Information

Refer questions about this general letter to your area income maintenance administrator.

If recertifying without an interview, use household composition and resources reported on the *Review/Recertification Eligibility Document* (RRED) when determining eligibility and benefits for the new certification period.

**Procedure:**

Apply this policy both to initial applications and to recertifications.

**Gross Income Limit**

**Legal reference:** 7 CFR 273.10(e)(1)(i)(a) and 273.10(e)(2)

**Policy:**

Determine the household's gross monthly income. Gross income includes all income before any deductions.

**Procedure:**

1. Add the total countable gross monthly earnings of all household members and people whose income is considered. See 7-I, [Ineligible Household Members](#). Include all income before any deductions.

Exception: If the household is paying legally obligated child support for which a deduction will be given (see 7-E, [Child Support Payment](#)), this amount is subtracted from the total gross monthly income when comparing to the maximum gross monthly income.

Household A has one member, who has gross monthly income of \$1,400 and pays legally obligated child support of \$400 per month.

When comparing the household's income to the gross income limit, only \$1,000 is counted as gross income. This household is under the maximum gross monthly income limit.

2. Count cents in all calculations. Drop the third digit after the decimal point.

A four-member household is certified, and eligibility is determined by using both the gross and net income guidelines. The household reports that a member now receives SSI. In the desk review that must be done to include the SSI income, the household must meet only the net monthly income standard.

### **Calculating Benefit Level**

**Legal reference:** 7 CFR 273.10(e)(2) and (4)

**Policy:**

Determine the amount of the household's monthly benefits based on the household's net monthly income.

Procedure:

1. Multiply the household's net monthly income by 30 percent.
2. Round the answer up to the next whole dollar (1 through 99 cents round up).
3. Determine the maximum Food Assistance allotment for the applicable household size by using the following chart:

<b><u>Household Size</u></b>	<b><u>Maximum Net Monthly Allotment</u></b>
1	\$ 200
2	\$ 367
3	\$ 526
4	\$ 668
5	\$ 793
6	\$ 952
7	\$1,052
8	\$1,202

For each additional member, add \$150

4. Next, subtract the 30 percent figure (from Step 1) from the maximum net monthly allotment (from Step 2). The amount after this calculation is the net monthly allotment.

NOTE: For other than the initial month, when households with three or more members have an allotment based on their net monthly income amount that equals zero, deny the household for that month. The reason for denying households that have a zero allotment is that the household's net income exceeds the minimum level for which benefits are issued.

See [Exceptions to Benefit Level](#) for minimum benefits in certain circumstances and [Prorating Initial Month's Benefits](#) for payment for a partial month.

### **Exceptions to Benefit Level**

**Legal reference:** 7 CFR 273.10(e)(2) and (4)

**Policy:**

If the household's allotment is not being prorated as an initial month's benefits and is \$1, \$3, or \$5, certify the household for \$2, \$4, or \$6, respectively. For an initial month's prorated benefits, see the next section.

The minimum net monthly allotment for all eligible one-member and two-member households is \$16. In an initial month, prorate this minimum net monthly allotment from the date of application.

### **Prorating Initial Month's Benefits**

**Legal reference:** 7 CFR 273.10(a)(1) and 273.2(h)(2), 441 IAC 65.35(1)

**Policy:**

An "initial month" is the first month a household is certified following any break in certification. EXCEPTION: For migrant or seasonal farm worker households, "initial month" means the first month the household is certified following a break in participation of at least one month.

In the initial month of certification, prorate the amount of net monthly allotment (Step 4 of [Calculating Benefit Level](#)), from the date of application through the end of the month.

Determine the amount of the prorated allotment by using the following formula:

$$\begin{array}{l} \text{Net Monthly Allotment} \\ \text{(from Step 4)} \end{array} \times (31 - \text{date of application}) \div 30 = \begin{array}{l} \text{Initial Prorated} \\ \text{Allotment} \end{array}$$

**Procedure:**

When using the prorating formula, do the following steps:

1. Subtract the date of application from 31
2. Multiply the result of Step 1 times the full month's allotment
3. Divide the result of Step 2 by 30
4. Round the result of Step 3 down to the whole dollar (drop the cents).